

NEW SURPASS PETROCHEMICALS LIMITED

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE that the Annual and a Special General Meeting of the Shareholders of New Surpass Petrochemicals Limited will be held at the Queen's Park Room, King Edward Hotel, 37 King Street East, Toronto, Ontario, Canada, on Tuesday, the 28th day of May, 1968, at the hour of eleven o'clock in the forenoon (Eastern Daylight Saving Time) for the following purposes:

1. To consider and, if thought advisable, to confirm with or without variation, a special resolution passed by the Directors on the 6th day of May, 1968 which authorizes an application to the Lieutenant Governor of Ontario for supplementary letters patent changing the name of the Company as provided in the special resolution a copy of which is set out below;
2. To receive the report of the Directors of the Company and the financial statements of the Company for the year ended December 31, 1967;
3. To elect Directors;
4. To appoint Auditors and authorize the Directors to fix their remuneration;
5. To transact such further and other business as may properly come before the meeting or any adjournment thereof.

A copy of the Annual Report of the Company, containing the report of the Directors and the financial statements of the Company for the year ended December 31, 1967, together with the Auditors' report thereon, and an Information Circular, accompany this notice.

DATED at Toronto this 10th day of May, 1968.

By Order of the Board,

ELLIS A. CLARKE,
Secretary.

The following is a copy of the special resolution referred to above:

RESOLVED as a special resolution that:

1. The Company be and is hereby authorized to make application to the Lieutenant Governor of the Province of Ontario for supplementary letters patent changing the name of the Company to Surpass Chemicals Limited.
2. The directors and officers are hereby authorized and directed to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

NEW SURPASS PETROCHEMICALS LIMITED

ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS — MAY 28, 1968

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Management of New Surpass Petrochemicals Limited (the Company) for use at the Annual and a Special General Meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the notice of meeting. The total cost of the solicitation will be borne by the Company. If you are unable to be present in person at the meeting, kindly fill in, sign and return, in the envelope provided for that purpose, the enclosed form of proxy.

REVOCATION AND APPOINTMENT OF PROXIES

A person executing the enclosed form of proxy has the power to revoke it at any time before its exercise.

The persons named in the enclosed form of proxy are Directors of the Company. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, OTHER THAN THOSE DESIGNATED IN THE FORM OF PROXY, TO ATTEND, ACT AND VOTE FOR HIM AND ON HIS BEHALF AT THE MEETING. To exercise such right the shareholder may strike out the names in the form of proxy and insert the name of the desired person (who need not be a shareholder) in the blank space provided in the form of proxy or may complete another appropriate form of proxy, and in either case should deliver the completed proxy to the Company before the time of the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company as at the date hereof has outstanding 714,848 shares without par value, each such share carrying the right to one vote at the meeting. Persons holding shares at the commencement of the meeting will be entitled to vote such shares at the meeting.

The only person who, to the knowledge of the Directors and senior officers of the Company, beneficially owns, directly or indirectly, more than 10 per cent of the outstanding shares of the Company is Fred W. Evans, the President of the Company, who beneficially owns, directly or indirectly, 243,972 (34.1%) of the outstanding shares of the Company.

ELECTION OF DIRECTORS

The Board consists of five Directors elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the Board of Directors of the Company and have served as Directors as indicated hereunder. The Management does not contemplate that any of the said nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy will vote for the election of another person or persons in their discretion. Each Director elected will hold office until the Annual Meeting next following his election or until his successor is elected or appointed.

The following table and notes thereto set out the names of all the persons proposed to be nominated for election as Directors, all positions and offices with the Company now held by them, their principal occupations or employments and the approximate numbers of shares of the Company beneficially owned, directly or indirectly, by them as of the date hereof.

| <u>Nominees for Directors and their principal occupations</u> | <u>Service as Director</u> | <u>Approximate number of shares beneficially owned directly or indirectly as of the date hereof</u> |
|--|--------------------------------|---|
| William Blokhuis..... Assistant-Secretary and Chief Chemist of the Company. | 1962 to date | 54,891 (1) |
| Ellis A. Clarke..... Vice-President, Secretary and Treasurer of the Company. | 1958 to 1961 1962 to date | 70,602 (1) |
| Kenneth Eastman..... Assistant-Treasurer and Plant Superintendent of the Company. | 1963 to date | 40,663 (1) |
| Fred W. Evans (2) President of the Company. | 1958 to date | 243,972 (1) |
| George H. Montague..... Solicitor, UNAS Investments Limited (Closed-end Investment Company). | 1962 to date | 17,098 |

Notes: (1) Pursuant to a trust agreement dated January 1, 1964 Mr. Fred W. Evans, the President of the Company, holds 406,617 shares of the Company in trust for himself as to 60 per cent, Mr. Clarke as to 17 per cent, Mr. Blokhuis as to 13 per cent and Mr. Eastman as to 10 per cent. These respective shares are included in the shareholdings of Messrs. Evans, Clarke, Blokhuis and Eastman set out in the above table in accordance with their interests. Under the trust agreement Mr. Evans is authorized generally to vote the shares, subject to the requirement that he vote the shares so as to cause the election of himself and not less than two of Messrs. Clarke, Blokhuis and Eastman as Directors of the Company.

(2) Mr. Evans' "associates" beneficially own 1,200 shares of the Company.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration paid or payable by the Company to the Directors and senior officers of the Company as a group during the fiscal year ended December 31, 1967 was \$50,620.

APPOINTMENT OF AUDITORS

Messrs. Thorne, Gunn, Helliwell & Christenson (through its predecessor firm Messrs. Thorne, Mulholland, Howson & McPherson), chartered accountants, have been the Auditors of the Company for a period in excess of the preceding five years. The persons named in the enclosed form of proxy intend to vote for the reappointment of Messrs. Thorne, Gunn, Helliwell & Christenson as Auditors of the Company, at a remuneration to be fixed by the Board of Directors, to hold office until the next Annual Meeting of shareholders or until their successors are appointed.

VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXY

The shares represented by each Management proxy received by the Company will be voted and, where the shareholder specifies a choice with respect to the confirmation of the special resolution with respect to

the change of name of the Company, such shares will, subject to section 75f of The Corporations Act, be voted in accordance with the specification so made. In the absence of any such specification in a proxy, such shares will be voted for the confirmation of such special resolution.

The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the notice of meeting and any other matters which may properly come before the meeting. At the date hereof the Management of the Company knows of no other business to come before the meeting. If, however, any other business properly comes before the meeting, it is the intention of the persons designated in the form of proxy to vote the shares represented by such proxy in accordance with their best judgment.

CHANGE OF NAME

The meeting has been called as a Special General Meeting so that the shareholders may consider and, if thought advisable, confirm a special resolution passed by the Directors of the Company on May 6, 1968 which authorizes an application to the Lieutenant Governor of Ontario for supplementary letters patent changing the name of the Company to Surpass Chemicals Limited. A copy of the resolution is set out below the notice of meeting.

By Order of the Board,

ELLIS A. CLARKE,
Secretary.

Toronto, Ontario,
May 10, 1968.